

THE DEPUTY MAYOR FOR PLANNING AND ECONOMIC DEVELOPMENT

NOTICE OF PROPOSED RULEMAKING

The Deputy Mayor for Planning and Economic Development, pursuant to the authority set forth in § 107 of the Inclusionary Zoning Implementation Amendment Act of 2006, effective March 14, 2007 (D.C. Law 16-275; D.C. Official Code § 6-1041.07) (“Inclusionary Zoning Act”) and Mayor’s Order 2008-59, dated April 2, 2008, hereby gives notice of intent to adopt a new Chapter 22 entitled “Inclusionary Zoning Implementation” of Title 14 (Housing) of the District of Columbia Municipal Regulations (“DCMR”).

These proposed rules would establish procedures for implementing the Inclusionary Zoning Act and the Inclusionary Zoning Regulations adopted by the Zoning Commission for the District of Columbia and codified in Chapter 26 of Title 11 (Zoning) of the DCMR.

Final rulemaking action shall be taken in not less than sixty (60) days from the date of publication of this notice in the *D.C. Register* and shall be subject to the completion of the Council review required by § 107(b) of the Inclusionary Zoning Act (D.C. Official Code § 6-1041.07(b)).

The Deputy Mayor also intends that the final rules shall not become effective until ninety (90) days after publication of the Notice of Final Rulemaking in the *D.C. Register* in order to allow a transition period between publication and implementation.

Title 14 (Housing) of the DCMR is amended by adding a new Chapter 22 to read as follows:

CHAPTER 22 INCLUSIONARY ZONING IMPLEMENTATION

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2200 GENERAL PROVISIONS

- 2200.1 The purpose of this Chapter is to implement the Zoning Commission's Inclusionary Zoning Regulations (Title 11 DCMR, Chapter 26) and the Inclusionary Zoning Act.
- 2200.2 Subject to certain exemptions, the Zoning Commission's Inclusionary Zoning Regulations mandate that, in applicable zone districts, Inclusionary Units be provided in new residential buildings of ten (10) or more dwelling units or when the construction of ten (10) or more dwelling units represents an expansion in the number of dwelling units in an existing residential building of fifty percent (50%) or more.
- 2200.3 The Zoning Commission's Inclusionary Zoning Regulations establish a formula to determine the minimum and maximum amount of gross floor area that must be reserved for Inclusionary Units, but leave the establishment of maximum prices and rents for the Inclusionary Units to the Council and the Mayor.
- 2200.4 Subject to certain exceptions, the Inclusionary Zoning Act requires Inclusionary Units be sold or leased only to persons authorized by the Mayor at a price or rent no greater than the maximum established by the Mayor.
- 2200.5 The Inclusionary Zoning Act also provides that:
- (a) No building permit shall be issued for an Inclusionary Development unless the Mayor approves a Certificate of Inclusionary Zoning Compliance and a covenant signed by the Owner of the Inclusionary Development;

- (b) No certificate of occupancy for a Market Rate Unit in an Inclusionary Development shall be issued unless the application includes a written statement signed by the Mayor and dated no earlier than six (6) months before the date of the application indicating that the Inclusionary Development is in compliance with the Inclusionary Zoning Program and the Certificate of Inclusionary Zoning Compliance; and
 - (c) A violation of the Inclusionary Zoning Program constitutes grounds for the revocation of any building permit and certificate of occupancy for the market rate portions of the Inclusionary Development.
- 2200.6 This Chapter implements these aspects of the Inclusionary Zoning Act by establishing, among other things:
 - (a) The process and prerequisites for obtaining building permits and certificates of occupancy for Inclusionary Developments;
 - (b) The process for selecting households for referral to the owner of an Inclusionary Unit; and
 - (c) The responsibilities of and limitations on Inclusionary Unit Owners and Tenants.
- 2200.7 All timeframes established in this Chapter for an Agency to take an action are guidelines only. An Agency's failure to act within a timeframe established in this Chapter shall not constitute a default by the Agency and shall not permit any person to take or refuse to take any action governed by the Inclusionary Zoning Program.
- 2200.8 In computing a period of time specified in this Chapter, calendar days shall be counted unless otherwise provided.
- 2200.9 In computing a period of time specified in this Chapter, the day of the act, event, or default after which the designated period of time begins to run shall not be included. The last day of the period of time so computed shall be included unless it is a Saturday, Sunday, or official District of Columbia holiday, in which case the period of time shall run until the end of the next day that is neither a Saturday, Sunday, nor official District of Columbia holiday.
- 2200.10 When, under this Chapter, a person has the right or is required to perform an act within a prescribed period of time after the sending of or the date of a notice or other paper, and the paper or notice is sent by mail, three (3) days shall be added to the prescribed period of time.

- 2200.11 In the event of a conflict between the provisions of this Chapter and the provisions of the Inclusionary Zoning Act or the Zoning Commission's Inclusionary Zoning Regulations, the most stringent provision shall apply.

2201 PREREQUISITES FOR OBTAINING BUILDING PERMITS FOR AN INCLUSIONARY DEVELOPMENT; APPLICATION FOR CERTIFICATE OF INCLUSIONARY ZONING COMPLIANCE

- 2201.1 No building permit shall be issued for an Inclusionary Development unless the Agency receives and approves an application for a Certificate of Inclusionary Zoning Compliance, signed by the Owner of the Inclusionary Development, demonstrating that the Inclusionary Development will meet the requirements of the Inclusionary Zoning Program.
- 2201.2 The Inclusionary Development Owner shall file a written application for a Certificate of Inclusionary Zoning Compliance with the Agency no later than the date upon which the first application for a building permit is filed for the Inclusionary Development.
- 2201.3 The Inclusionary Development Owner shall include with its application for a Certificate of Inclusionary Zoning Compliance payment of an application fee of one hundred dollars (\$100).
- 2201.4 The Inclusionary Development Owner shall file its application for a Certificate of Inclusionary Zoning Compliance on a form prescribed by the Agency and shall provide such information as is requested on the form.
- 2201.5 The application form for a Certificate of Inclusionary Zoning Compliance shall include:
- (a) The name of the Inclusionary Development, its marketing name if different, and the apartment house or condominium name, if applicable;
 - (b) The street address of the Inclusionary Development;
 - (c) The zone district and, if applicable, overlay district in which the Inclusionary Development is located;
 - (d) The current and proposed square, suffix, and lot numbers on which the Inclusionary Development will be located;
 - (e) A list of all Inclusionary Units in the Inclusionary Development. Each Inclusionary Unit shall be identified by unit number, net square footage, and the number of bedrooms. The list shall also include, and separately identify, any Inclusionary Units that will serve as the location for the offsite compliance of another Inclusionary Development, as approved by the Board

of Zoning Adjustment, together with a copy of the Board of Zoning Adjustment order approving the offsite compliance;

- (f) A certification from the Inclusionary Development's architect that the size of each Inclusionary Unit is at least the average size of the same type of Market Rate Unit in the development or at least the size indicated in the following table, whichever is lesser:

Types of Dwelling	Type of Unit	Minimum Unit Size (square feet)
Multiple Family Dwelling	Studio/ Efficiency	400
	One Bedroom	550
	Two Bedroom	800
	Three Bedroom	1000
	Four Bedroom	1050
One or Two Household Dwellings	Two Bedroom	1000
	Three Bedroom	1200
	Four Bedroom	1400

- (g) A copy of the site plan, front elevation or block face, and all residential floor plans for the Inclusionary Development. The floor plans shall show the location of each Inclusionary Unit and each Market Rate Unit and shall identify each by unit number;
- (h) A copy of the building plat required by 12A DCMR § 106.1.12;
- (i) An unsigned copy of the Inclusionary Development Covenant described in § 2204 (including the form Inclusionary Unit Covenant described in § 2205, if the Inclusionary Development includes For Sale Inclusionary Units);
- (j) A deed of trust, if required by the Agency pursuant to § 2204.3;
- (k) A plan for the phasing of construction that demonstrates compliance with 11 DCMR § 2605.5, which requires that all Inclusionary Units in an Inclusionary Development be constructed prior to or concurrently with the construction of Market Rate Units, except that in a phased development, the Inclusionary Units shall be constructed at a pace that is proportional with the construction of the Market Rate Units;
- (l) The total land area of all of the lots included in the Inclusionary Development;
- (m) The total gross square footage of the Inclusionary Units in the Inclusionary Development, the net residential square footage of the Inclusionary Development, and the gross residential square footage of the Inclusionary Development;
- (n) The total net floor area that will be set aside for Inclusionary Units as

calculated by multiplying the total gross square footage of the Inclusionary Units required by 11 DCMR § 2603 by the ratio of the net residential square footage to the gross residential square footage of the Inclusionary Development;

- (o) The total gross floor area of Inclusionary Units that will be set aside for Low-Income Households, if such Inclusionary Units are required by 11 DCMR § 2603.3, calculated pursuant to the method set forth in paragraph (n) of this subsection;
- (p) A proposed schedule of standard and upgrade options of finishes, fixtures, equipment, and appliances for both Inclusionary Units and Market Rate Units;
- (q) For each Inclusionary Unit, the approximate date by which the Inclusionary Development Owner will provide a Notice of Availability pursuant to § 2206;
- (r) If construction of the Inclusionary Development will result in the displacement of tenants who are entitled by law to return to their former units, a list of the unit numbers of the Inclusionary Units for which a right of return exists; and
- (s) Such other information as may be requested by the Agency.

2202 REVIEW AND APPROVAL OF APPLICATION FOR CERTIFICATE OF INCLUSIONARY ZONING COMPLIANCE

- 2202.1 If the Agency determines that an application for a Certificate of Inclusionary Zoning Compliance does not demonstrate compliance with the Inclusionary Zoning Program or the information provided is insufficient, the Agency shall provide to the Inclusionary Development Owner a written notice of the deficiency and shall allow the Inclusionary Development Owner a period of time, designated in the written notice, to cure the deficiency.
- 2202.2 If the Inclusionary Development Owner fails to cure the deficiency within the period of time set forth in the written notice, the Agency may deny the application.
- 2202.3 If the application for a Certificate of Inclusionary Zoning Compliance demonstrates compliance with the Inclusionary Zoning Program, and the proposed Inclusionary Development Covenant is satisfactory to the Agency, the Inclusionary Development Owner shall execute and record the approved Inclusionary Development Covenant in the land records of the District of Columbia.
- 2202.4 Following receipt of a copy of the executed and recorded Inclusionary Development Covenant, the Agency shall issue the Certificate of Inclusionary Zoning Compliance.

2203 REQUIREMENT TO UPDATE APPLICATION INFORMATION

An Inclusionary Development Owner shall be under a continuing obligation to update all information provided in its application for a Certificate of Inclusionary Zoning Compliance until certificates of occupancy are issued for all of the Inclusionary Units and Market Rate Units in the Inclusionary Development.

2204 INCLUSIONARY DEVELOPMENT COVENANTS

- 2204.1 The proposed Inclusionary Development Covenant submitted in accordance with § 2201.5(i) shall bind all persons with a property interest in any or all of the Inclusionary Development to such declarations as the Agency may require, but, at a minimum, shall include:
- (a) The present and all future Owners of a Rental Inclusionary Development shall construct or maintain and reserve Inclusionary Units in such number, square footage, and level of finish as indicated on the Certificate of Inclusionary Zoning Compliance and shall rent such Inclusionary Units in accordance with the Inclusionary Zoning Program and the Certificate of Inclusionary Zoning Compliance;
 - (b) The present and all future Owners of a For Sale Inclusionary Development shall construct Inclusionary Units in such number, square footage, and level of finish as indicated on the Certificate of Inclusionary Zoning Compliance and shall sell each Inclusionary Unit in accordance with the Inclusionary Zoning Program and the Certificate of Inclusionary Zoning Compliance;
 - (c) The Inclusionary Development Covenant shall bind all assignees, mortgagees, purchasers, and other successors in interest; and
 - (d) A provision providing for the release or extinguishment of the Inclusionary Development Covenant if the District revokes or rescinds the building permit, the building permit expires, or the Inclusionary Development Owner relinquishes its right to construct under the building permit.
- 2204.2 A proposed covenant for a For Sale Inclusionary Development shall also include a form Inclusionary Unit Covenant to be executed by the first purchaser of an Inclusionary Unit.
- 2204.3 The Agency may require, in its sole discretion, the use of a deed of trust to ensure compliance by an Inclusionary Development Owner with the Inclusionary Development Covenant.

2205 INCLUSIONARY UNIT COVENANTS

- 2205.1 A form Inclusionary Unit Covenant required by § 2204.2 shall bind all persons with a property interest in any or all of the Inclusionary Unit to such declarations as the Agency may require, but, at a minimum, shall require that:
- (a) The Inclusionary Unit Covenant shall be binding upon all assignees, mortgagees, purchasers, and other successors in interest; and
 - (b) Resale of an Inclusionary Unit shall only be to:
 - (1) A Household selected by the Agency or otherwise authorized by this Chapter, at a price that does not exceed the Maximum Resale Price established in accordance with § 2219; or
 - (2) A housing provider designated by the Agency pursuant to § 2222 at a price equal to or greater than the Maximum Resale Price, as may be agreed to by the Inclusionary Unit Owner and the designated housing provider.
- 2205.2 An Inclusionary Unit Covenant shall be executed by the first purchaser prior to or at closing. The Inclusionary Unit Covenant shall be recorded in the land records of the District of Columbia simultaneously with the first deed of conveyance.

2206 NOTICE OF AVAILABILITY

- 2206.1 The provisions of this section govern the process by which:
- (a) The owner of a For Sale Inclusionary Development or For Sale Inclusionary Unit fulfills its obligation to notify the Agency that an Inclusionary Unit is available for purchase; and
 - (b) The owner of a Rental Inclusionary Development fulfills its obligation to notify the Agency that an Inclusionary Unit is available for lease.
- 2206.2 Owners shall provide the notices described in § 2206.1 to the Agency by filing a written Notice of Availability in accordance with the provisions of this section.
- 2206.3 An Inclusionary Development Owner shall file the first Notice of Availability for an Inclusionary Unit at least one hundred thirty-five (135) days before the date the Inclusionary Development Owner expects to apply for a certificate of occupancy for the Inclusionary Unit.
- 2206.4 An Owner of a Rental Inclusionary Unit shall file all subsequent Notices of Availability no later than ten (10) days after a Tenant gives notice of its intent to vacate the Inclusionary Unit, including a notice of intent provided pursuant to §

2217.1, or the Owner becomes aware that the Tenant has vacated the Inclusionary Unit, whichever is earlier.

2206.5 An Owner of a For Sale Inclusionary Unit shall file all subsequent Notices of Availability at least ninety (90) days before the date the Owner wishes to have a Household or Designated Housing Provider referred to it for purchase.

2206.6 The Notice of Availability shall include:

- (a) The Inclusionary Unit's street address and unit number;
- (b) The estimated date upon which the Inclusionary Unit will be available for occupancy;
- (c) If the Inclusionary Unit is a For Sale Inclusionary, a copy of the purchase contract to be furnished to an eligible Household and a copy of the Inclusionary Unit Covenant furnished to the Household;
- (d) If the Inclusionary Unit is a Rental Inclusionary Unit, a copy of the proposed lease to be furnished to an eligible Household, which shall be for at least a one (1)-year term and shall be renewable at the option of the Tenant unless:
 - (1) The Tenant fails to provide a certification of income in accordance with § 2217.1;
 - (2) The certification of income provided in accordance with § 2217.1 shows that the Household's Annual Income exceeds the maximum allowed for the Inclusionary Unit;
 - (3) The Inclusionary Unit is not the primary residence of all persons who occupy the Inclusionary Unit; or
 - (4) The Agency has advised the Owner that the Tenant made misrepresentations to the Agency that resulted in the erroneous referral of the Tenant;
- (e) For the initial Notice of Availability filed by an Inclusionary Development Owner or Inclusionary Unit Owner, a list of any optional or required upfront or recurring fees and costs, including but not limited to condominium, cooperative, or homeowner association fees and fees or costs for amenities, services, upgrade options, or parking. For each such fee or cost, the following information shall be provided:
 - (1) The amount of the fee or cost;
 - (2) A description of the fee or cost and how it will be charged; and

- (3) If applicable, the budget for the condominium, cooperative, or homeowner association, the condominium, cooperative, or homeowner association fee for each Market Rate Unit and each Inclusionary Unit, and the formula by which such fee is assessed;
 - (f) For each subsequent Notice of Availability filed by an Inclusionary Development Owner, a list of any required upfront or recurring fees and costs, including but not limited to condominium, cooperative, or homeowner association fees and fees or costs for amenities, services, upgrade options, or parking, and the amount of each such fee or cost; and
 - (g) Such other information as may be required by the Agency.
- 2206.7 The Notice of Availability shall also indicate whether the Owner elects to have Households referred to it before the Agency determines their eligibility for the Inclusionary Unit.
- 2206.8 An Owner who makes an election under § 2206.7 shall be responsible for verifying the Annual Income of each Household referred to the Owner and shall provide with the Notice of Availability the name of the entity that will perform the verification. The Inclusionary Development Owner may use the entity listed in the Notice of Availability unless the Agency disapproves the use of the entity within ten (10) days after the Agency's receipt of the Notice of Availability.
- 2206.9 The Notice of Availability for a For Sale Inclusionary Unit shall include an itemized list of all capital improvements and upgrades made to the Inclusionary Unit that the Owner wishes the Agency to consider when establishing the Maximum Resale Price pursuant to § 2219. The Inclusionary Unit Owner shall document each cost or value claimed with receipts, contracts, or other supporting evidence.
- 2206.10 Within ten (10) business days after the receipt of a Notice of Availability, the Agency shall notify the Owner of the maximum purchase price or rent for each Inclusionary Unit listed in the Notice of Availability.

2207 DETERMINATION OF MAXIMUM PURCHASE PRICE OR RENT

- 2207.1 Except as provided in § 2207.4, the initial maximum purchase price or rent for an Inclusionary Unit shall be the greater of:
 - (a) The purchase price or rent in the Rent and Price Schedule in place on the filing date of the application for the Certificate of Inclusionary Zoning Compliance issued for the Inclusionary Development in which the Inclusionary Unit is located; or

- (b) The purchase price or rent in the Rent and Price Schedule in place on the filing date of the Notice of Availability for the Inclusionary Unit, whichever purchase price or rent is greater.

- 2207.2 The maximum purchase price for all subsequent sales of an Inclusionary Unit Owner shall be the Maximum Resale Price determined by the Agency pursuant to § 2219.
- 2207.3 Except as provided in § 2207.4, the maximum rent for all subsequent rentals shall be the rent set forth in the Rent and Price Schedule in place on the date that the Notice of Availability for the Inclusionary Unit is filed.
- 2207.4 If the costs provide in response to §2206.6(e) exceed by ten percent (10%) or more the cost assumptions in the applicable Rent and Price Schedule, the Agency may lower the initial maximum purchase price or initial or subsequent rent to the extent needed to maintain the affordability standard set forth in § 103(a) of the Inclusionary Zoning Act (D.C. Official Code § 6-1041.03(a)) and this Chapter.

2208 CERTIFICATES OF OCCUPANCY FOR INCLUSIONARY UNITS

- 2208.1 An Inclusionary Development Owner shall obtain a certificate of occupancy for each Inclusionary Unit in the Inclusionary Development.
- 2208.2 After the submission of the application for a certificate of occupancy for an Inclusionary Unit, the Agency shall inspect the Inclusionary Unit for compliance with the Certificate of Inclusionary Zoning Compliance and the Inclusionary Zoning Program.
- 2208.3 The Agency shall make good faith efforts to complete its compliance inspection within ten (10) business days after receipt of the Inclusionary Development Owner's notification.
- 2208.4 No certificate of occupancy for an Inclusionary Unit shall be issued by the Department of Consumer and Regulatory Affairs unless a certificate of the Agency indicating that the Inclusionary Unit is in compliance with the Certificate of Inclusionary Zoning Compliance and the Inclusionary Zoning Program has been provided to the Department of Consumer and Regulatory Affairs.

2209 HOUSEHOLDS TO WHOM INCLUSIONARY UNITS MAY BE SOLD OR RENTED

Except as set forth in § 2215, no Owner shall sell or rent an Inclusionary Unit to a Household which has not been referred to the Owner pursuant to the lottery and selection process set forth in §§ 2210 through 2214.

2210 SELECTION PROCESS – REGISTRATION FOR LOTTERIES

- 2210.1 Except as provided in § 2215, Low-Income Households and Moderate-Income Households wishing to purchase or rent an Inclusionary Unit shall first register with the Agency.
- 2210.2 The Agency shall maintain at least the two following registration lists:
- (a) The District List, consisting of Households whose members live in, or at least one (1) of whose members works in, the District of Columbia; and
 - (b) The Miscellaneous List, consisting of Households that do not qualify to be placed on the District List.
- 2210.3 A Household seeking to be placed on a registration list shall provide the following information to the Agency on such form as may be prescribed by the Agency:
- (a) The name, address, and telephone number of the Household member who will serve as the principal contact for the Agency;
 - (b) The Household's size and estimated annual income;
 - (c) If the Household consists entirely of a person enrolled as a full-time student in a college or university, the annual income of the person's parent or guardian; and
 - (d) For each Household member:
 - (i) If employed, the name and address of the employer; or
 - (ii) If a college or university student, the name and address of the college or university.
- 2210.4 Registration shall become effective on the date the application for registration is, after review by the Agency, considered complete and shall expire two (2) years thereafter, unless renewed prior to expiration.
- 2210.5 The Agency shall notify each registrant of the date upon which their registration became effective and the date upon which the registration will expire.
- 2210.6 An application to renew a registration shall indicate any change in any information that was required to be provided in the initial application.

2211 SELECTION PROCESS – CONDUCT OF LOTTERIES

2211.1 No later than ten (10) business days after receiving a Notice of Availability for an Inclusionary Unit, the Agency shall hold a lottery of those Households on the District List that meet the size and Annual Income requirements for the Inclusionary Unit.

2211.2 The Agency shall determine size eligibility based upon the following standards:

Unit Size (Bedroom)	Minimum Number of Persons in Unit	Maximum Number of Persons in Unit
0	1	1
1	1	2
2	2	4
3	4	6
4	6	8
5	8	10
6	10	12

2211.3 For each Inclusionary Unit, the Agency shall randomly select at least four (4) Households through a lottery from the District List. If fewer than four (4) Households on the District List meet the Household size and Annual Income standards applicable to the Inclusionary Unit, the Agency shall hold a lottery from the Miscellaneous List in order to select at least four (4) Households which meet the Household size and Annual Income standards applicable for the Inclusionary Unit.

2211.4 The Households chosen shall then be ranked in the following order:

- (a) Households residing in the District of Columbia, who shall then be ranked by the length of time each has been on the District List;
- (b) Households with a least one (1) member employed in the District of Columbia, who shall then be ranked by the length of time each has been on the District List; and
- (c) Households on the Miscellaneous List, who shall then be ranked by the length of time each has been on the Miscellaneous List.

2211.5 If more than one (1) Household has been on the registration list for the same period of time, their ranking shall be in the order in which the Households were selected in the lottery.

2211.6 If none of the four (4) Households selected through the lottery purchase or rent the Inclusionary Unit, the Agency shall continue to hold lotteries pursuant to the procedures set forth in this section until a Household purchases or leases the Inclusionary Unit.

- 2211.7 With respect to each Household selected pursuant to a lottery under this section, the Agency shall provide a notice under § 2212 and shall verify the eligibility of the Household to rent or purchase the Inclusionary Unit pursuant to § 2213.

2212 SELECTION PROCESS – NOTIFICATION OF HOUSEHOLDS

- 2212.1 Not later than ten (10) business days after a lottery is held, the Agency shall provide a notice to each of the Households selected in the lottery of their selection and shall provide to each Household the address, unit type, and maximum rent or purchase price of the Inclusionary Unit for which the lottery was held.
- 2212.2 The notice shall inform each Household that the Household is required to confirm its interest in the Unit within ten (10) business days after the date of the notice and to provide the following to the Agency within thirty (30) calendar days after the date of the notice:
- (a) A statement that the Inclusionary Unit will be occupied as the primary residence of all members of the Household;
 - (b) Evidence that the Household has satisfactorily completed a housing counseling class for homebuyers or renters approved by the Agency;
 - (c) All documents requested by the Agency to verify the Household's Annual Income or, if certification of the Households is to be undertaken by the Inclusionary Development Owner or Inclusionary Unit Owner, a certification of the Household's Annual Income from the Inclusionary Development Owner or Inclusionary Unit Owner;
 - (d) If purchasing a For Sale Inclusionary Unit, a pre-qualification letter from a lender indicating the Household's credit worthiness and ability to afford the purchase price; and
 - (e) Any other documents requested by the Agency.
- 2212.3 The notice shall also state that the Household must execute a pre-sale contract or lease for the Inclusionary Unit no later than ninety (90) days after the date of the notice.
- 2212.4 A Household that fails to meet a deadline set forth in §§ 2212.2 or 2212.3 shall be ineligible to purchase or rent the Inclusionary Unit, unless the Agency extends the deadline for good cause shown.

2213 SELECTION PROCESS – VERIFICATION OF HOUSEHOLD ELIGIBILITY

- 2213.1 No later than sixty (60) days after lottery selection the Agency shall make the following determination as to the first four (4) ranked Household that meet the

deadlines set forth in §§ 2212.2 and 2212.3 and for such additional Households as it considers appropriate:

- (a) That the Household's Annual Income, as verified by the Owner or the Agency, qualifies it as being either a Low-Income Household or Moderate-Income Household;
- (b) That the Household's size meets the Household size requirements set forth in § 2206.3 and all other applicable criteria set forth in this Chapter;
- (c) For a For Sale Inclusionary Unit, that the Household will not expend more than forty-one percent (41%) of the its Annual Income on mortgage payments; and
- (d) For a Rental Inclusionary Unit, that the Household will not expend more than forty-five percent (45%) of its Annual Income on rent and utilities if not included in the rent; and

2213.2 If an Owner has elected to screen Households prior to an eligibility determination, the Owner shall provide to the Agency a verification of each Household's Annual Income within thirty (30) days after the Households are referred to the Owner pursuant to § 2214.1. If the Owner does not provide a verification of Annual Income for a Household within this thirty (30)-day period, the time period set forth in § 2213.1 shall be extended, for that Household, for one (1) day for each day by which the Owner exceeds the thirty (30)-day period

2214 REFERRAL OF HOUSEHOLDS; NOTIFICATION OF OWNERS AND HOUSEHOLDS; RENTAL OR SALE TO HOUSEHOLD

2214.1 If an Owner has elected to screen Households prior to an eligibility determination, the Agency shall refer the Households selected pursuant to a lottery to the Owner, by providing a notice to both the Households and the Owner, no later than ten (10) business days after the lottery for the Inclusionary Unit. The notice to the Owner shall include the rank of each Household. The notice to a Household shall include the rank of the Household.

2214.2 No later than ten (10) days after the Agency makes the determinations required by § 2213, the Agency shall:

- (a) Provide, to an Owner who was referred Households prior to eligibility determinations, a notice listing each Household that was referred to the Owner, whether the Household is eligible or ineligible to purchase or rent the Inclusionary Unit, and the rank of the eligible Households selected pursuant to the lottery;

- (b) Provide, to an Owner who elected not to market the Inclusionary Unit prior to eligibility determinations, a ranked list of eligible Households;
 - (c) Provide to each Household a notice stating whether the Household is eligible or ineligible to purchase or rent the Inclusionary Unit and, if eligible, the rank of the eligible Household.
- 2214.3 An Owner shall not sell, and a Household shall not buy, an Inclusionary Unit until each receives the notice described in § 2214.2.
- 2214.4 An Owner shall process and approve or disapprove each eligible Household, pursuant to the Owner's rental or sale criteria, in the order of the Household's ranking.
- 2215 SELECTION PROCESS – EXEMPTIONS FROM REGISTRATION AND LOTTERIES**
- 2215.1 A household displaced from and entitled by law to return to a unit that is an Inclusionary Unit may purchase or lease the Inclusionary Unit, without referral by the Agency through the lottery, subject to all other requirements of law.
- 2215.2 An Inclusionary Unit Owner may sell an Inclusionary Unit to the Inclusionary Unit Owner's spouse, domestic partner, parent, or child who is eighteen (18) years of age or older, without referral by the Agency through the lottery, if the spouse, domestic partner, parent, or child submits the information and documents required by § 2212.2 and the Agency verifies pursuant to section § 2213 that the spouse, domestic partner, parent, or child is eligible to rent or purchase the Inclusionary Unit.
- 2215.3 An Inclusionary Unit Owner may sell a For Sale Inclusionary Unit to a Designated Housing Provider if the Designated Housing Provider is referred to the Owner pursuant to § 2222.
- 2215.4 An Owner may request the Agency to allow the Owner to rent or sell an Inclusionary Unit to a Household that has not registered with the Agency if:
 - (a) More than six (6) months has passed since the Notice of Availability was submitted for the Inclusionary Unit;
 - (b) No eligible Household or Designated Housing Provider has executed a pre-sale or purchase contract or lease within that period; and
 - (c) The Owner submits a written statement that demonstrates good faith efforts on the part of the Owner to sell or lease the unit to a Households or Designated Housing Providers referred by the Agency.

- 2215.5 If the Agency finds that the criteria set forth in § 2215.4 have been met, a Household identified by the Owner shall submit the information and documents required by § 2212.2 to the Agency.
- 2215.6 If the Agency verifies pursuant to section § 2213 that the Household identified by the Owner is eligible to purchase or rent the Inclusionary Unit, the Owner may sell or rent the Inclusionary Unit to the Household.

2216 CLOSING PROCEDURES

- 2216.1 Prior to or at the first closing for an Inclusionary Unit, the Household purchasing the Inclusionary Unit shall execute an Inclusionary Unit Covenant in the same form as was attached to the Inclusionary Development Covenant for the Inclusionary Development.
- 2216.2 The Closing Agent or first Inclusionary Unit Owner shall record the Inclusionary Unit Covenant in the land records of the District of Columbia prior to or simultaneously with the deed of conveyance.
- 2216.3 At all subsequent closings for an Inclusionary Unit, the Inclusionary Unit Owner shall provide the purchaser with a copy of the recorded Inclusionary Unit Covenant and the purchaser shall sign a written certification acknowledging receipt of the Inclusionary Unit Covenant.
- 2216.4 All deeds used to convey an Inclusionary Unit shall attach the recorded Inclusionary Unit Covenant as an exhibit and shall include the following statement in twelve (12) point or larger type, in all capital letters, on the front page of the deed:

THIS DEED IS DELIVERED AND ACCEPTED SUBJECT TO THE PROVISIONS AND CONDITIONS SET FORTH IN THE INCLUSIONARY UNIT COVENANT, DATED AS OF THE _____ DAY OF _____, 20__, AND RECORDED ON THE _____ DAY OF _____, 20__, IN THE OFFICE OF THE DISTRICT OF COLUMBIA RECORDER OF DEEDS AS INSTRUMENT NUMBER _____, TO THE EXTENT SUCH COVENANT LAWFULLY BINDS THE REAL PROPERTY WHICH IS THE SUBJECT OF THIS DEED.

- 2216.5 Within ten (10) days after closing, the new Inclusionary Unit Owner shall provide the Agency with a signed copy of the United States Department of Housing and Urban Development Settlement Statement, a copy of the new deed (including the attached Inclusionary Unit Covenant), and a copy of the written certification required by § 2216.3 acknowledging receipt of the Inclusionary Unit Covenant.

2217 RESPONSIBILITIES OF RENTAL INCLUSIONARY DEVELOPMENT OWNERS AND TENANTS; LEASE RENEWALS

- 2217.1 No later than sixty (60) days before each anniversary of the first day of the lease, a Household leasing a Rental Inclusionary Unit shall submit to the Inclusionary Development Owner the following information and documents on or with such form as may be prescribed by the Agency:
- (a) A statement as to whether the Tenant intends to renew the lease; and
 - (b) If the Tenant states that he or she intends to renew the lease:
 - (1) A certification that the Household continues to occupy the unit as its primary residence;
 - (2) The names of each person residing in the unit;
 - (3) All documents necessary for the certification of the Annual Income of the Household; and
- 2217.2 No later than fifteen (15) days before each anniversary of the first day of the lease, a Household leasing a Rental Inclusionary Unit shall submit or cause to be submitted to the Inclusionary Development Owner a certification of the Tenant's Annual Income.
- 2217.3 If a Tenant is ineligible to renew a lease because the Tenant no longer meets the Household size or Annual Income requirements for the Inclusionary Unit, the Inclusionary Development Owner shall provide to the Tenant a notice of the non-renewal of a lease pursuant within ten (10) days after the Tenant provides the information and documents required by § 2217.1.
- 2217.4 If a Tenant is ineligible to renew a lease because the Tenant no longer occupies the Inclusionary Unit as its primary residence or does not meet the Household size or Annual Income requirements for the Inclusionary Unit, the Inclusionary Development Owner shall permit the Household to continue to occupy the unit at the current rent for not less than three (3) and no more than six (6) months after the Inclusionary Unit Owner provides to the Tenant the notice required by § 2217.3.
- 2217.5 If a Tenant does not provide the information and documents required by § 2217.1 in the time period set forth in § 2217.1, the Owner may file a Notice of Availability with the Agency.
- 2217.6 A renewed lease may not require payment of rent greater than the applicable maximum rent set forth in the Price and Rent Schedule in effect on the date the lease is renewed.

- 2217.7 Annually within fifteen (15) days after the anniversary of the issuance date of the certificate of occupancy for a Rental Inclusionary Development, the Owner shall submit a report to the Agency setting forth the following information:
- (a) The number of Rental Inclusionary Units, by bedroom count, that are occupied;
 - (b) The number of Rental Inclusionary Units, by bedroom count, that were vacated during the previous twelve (12) months;
 - (c) For each Rental Inclusionary Unit vacated during the previous twelve (12) months, the unit number of the unit that was vacated, the number of days the unit was vacant (or a statement that the unit is still vacant), and the date on which a Notice of Availability was provided to the Agency pursuant to § 2206;
 - (d) For each occupied Rental Inclusionary Unit, the names of all occupants, the Household size, and the Household's Annual Income as of the date of the most recent Certification of Income;
 - (e) A sworn statement that to the best of the Owner's information and knowledge, the Annual Income and size of each Household occupying each Rental Inclusionary Unit complies with the size and income limits applicable to the Rental Inclusionary Unit; and
 - (f) A copy of each new and revised Certification of Income provided in accordance with § 2217.1.
- 2217.8 An Inclusionary Unit Tenant shall not purchase residential property before the Tenant has provided notice of the intent to terminate their lease of the Inclusionary Unit in accordance with the terms of the lease.

2218 RESPONSIBILITIES OF INCLUSIONARY UNIT OWNERS

- 2218.1 Annually on the anniversary of the closing date, the Owner of a For Sale Inclusionary Unit shall submit to the Agency certification that it continues to occupy the unit as its primary residence. The certification shall be submitted on or with such form as may be prescribed by the Agency.
- 2218.2 An Inclusionary Unit Owner shall not close on the purchase of other residential property before the Owner has sold the Inclusionary Unit in conformity with the requirements of the Inclusionary Zoning Act and this Chapter.

2219 DETERMINATION OF MAXIMUM RESALE PRICE

2219.1 The Maximum Resale Price (“MRP”) of a For Sale Inclusionary Unit shall be determined through use of the formula $MRP = (P + V) \times (1 + F)$ (“Formula”), where:

- (a) P = the price the Owner paid for the Inclusionary Unit;
- (b) V = the value of capital improvements as determined by the Agency pursuant to this section; and
- (c) F = the decimal equivalent of the percentage by which the Consumer Price Index for All Urban Consumers (Washington-Baltimore) has risen since the prior sale of the Inclusionary Unit.

2219.2 For the purposes of determining the value of “V” in the Formula, the following capital improvements made to an Inclusionary Unit after the date of purchase may be included, to the extent they are permanent in nature and add to the market value of the property:

- (a) Structural improvements;
- (b) Appliances, heating, air conditioning, and hot water equipment; provided, such items shall be depreciated on a ten (10) year straight-line basis from the purchase price;
- (c) Replacement in kind of equipment, systems, fixtures, or finishes other than appliances, heating, air conditioning, and hot water equipment; provided, such items shall be valued at fifty percent (50%) of their purchase price;
- (d) Actual and reasonable costs of materials (but not of tools or equipment purchased or used to install the improvements), professional fees, contractor’s costs, the reasonable value of labor performed by the Owner, and permit fees associated with furnishing and installing the capital improvements; and
- (e) Upgrades, to the extent that the value of such upgrades does not increase the MRP of the Inclusionary Unit above the designated affordability level of the Inclusionary Unit.

2219.3 The value of capital improvements may be determined by the Agency based upon documentation provided by the Inclusionary Unit Owner or upon a standard value established by the Agency.

2219.4 The Agency may disallow capital improvements if the Agency finds that the capital improvements diminished or did not increase the fair market value of the Inclusionary Unit.

- 2219.5 The Agency may reduce the value of capital improvements if there is evidence of abnormal physical deterioration of, or abnormal wear and tear to, the capital improvement.
- 2219.6 The Owner shall permit a representative of the Agency to inspect the Inclusionary Unit upon request to verify the existence and value of any capital improvements that are claimed by the Owner.
- 2219.7 Normal Owner maintenance, general repair work, and personal or decorative items or work shall not be considered capital improvements under the Formula.
- 2219.8 No allowance shall be made in the Maximum Resale Price for the payment of real estate brokerage fees associated with the sale of the Inclusionary Unit.
- 2219.9 The value of personal property transferred to a purchaser in connection with the resale of a For Sale Inclusionary Unit shall not be considered part of the sales price of the For Sale Inclusionary Unit for the purposes of determining whether the sales price of the For Sale Inclusionary Unit exceeds the MRP.

2220 RENTAL OF A FOR SALE INCLUSIONARY UNIT

- 2220.1 An Inclusionary Unit Owner may temporarily lease a For Sale Inclusionary Unit to a Household referred to it by the Agency in accordance with the provisions of this section.
- 2220.2 The lease term may not exceed twelve (12) months and may not be renewed.
- 2220.3 No more than one (1) temporary rental may occur with a five (5) year period.
- 2220.4 The Owner and Agency shall follow the notice of availability and referral processes set forth in §§ 2206 and 2211 - 2214.

2221 CONVERSION OF A RENTAL INCLUSIONARY DEVELOPMENT TO A FOR SALE INCLUSIONARY DEVELOPMENT

- 2221.1 No condominium or cooperative documents may be filed to convert a Rental Inclusionary Development to a condominium or cooperative until a new application for a Certificate of Inclusionary Zoning Compliance is filed by the Inclusionary Development Owner and approved by the Agency and a Certificate of Inclusionary Zoning Compliance is issued by the Agency pursuant to the provisions set forth in § 2202.
- 2221.2 Prior to the issuance of a Certificate of Inclusionary Zoning Compliance under this section, the Inclusionary Development Owner shall record a new or amendatory Inclusionary Development Covenant, applicable to a For Sale Inclusionary Development, that complies with § 2204.

- 2221.3 The application for a Certificate of Inclusionary Zoning Compliance filed under this section shall demonstrate that the location and size of the Inclusionary Units will not change from those approved under the Certificate of Inclusionary Zoning Compliance issued for the Rental Inclusionary Development.
- 2221.4 Tenants occupying Rental Inclusionary Units shall receive the same notices and have the same opportunity to purchase their unit as is provided in the Rental Housing Conversion and Sale Act of 1980, effective September 10, 1980 (D.C. Law 3-86; D.C. Official Code § 42-3401.01 *et seq.*) (“Conversion Act”).
- 2221.5 The offered sales price for a Rental Inclusionary Unit converted to a For Sale Inclusionary Unit shall not exceed the applicable maximum purchase price stated on the Price and Rent Schedule that is in effect on the date that the Tenant receives the first notice of conversion pursuant to the Conversion Act.
- 2221.6 If the tenant does not purchase the Inclusionary Unit within the time provided in the Conversion Act.

2222 DESIGNATED HOUSING PROVIDERS

- 2222.1 The Agency may authorize housing providers, such as land trusts or qualified nonprofit organizations, to purchase Inclusionary Units for the purpose of reselling the units to Households selected by the Agency in accordance with §§ 2210 through 2213 (“Designated Housing Providers”).
- 2222.2 To be eligible to be a Designated Housing Provider, the housing provider shall demonstrate to the satisfaction of the Agency its ability to acquire, operate, maintain, and manage an Inclusionary Unit satisfactorily on a long-term basis.
- 2222.3 The Agency may consider the relative needs and requirements of the housing providers and their clientele, readiness and ability of the housing provider to purchase and manage an Inclusionary Unit, and the number of units previously obtained by the housing provider in determining whether to authorize a housing provider to act as a Designated Housing Provider.
- 2222.4 The Agency may provide notice to Designated Housing Providers of the availability of an Inclusionary Unit. The Agency may provide the Designated Housing Providers up to ninety (90) days after the date of the notice to enter into a contract with the Owner to purchase the Inclusionary Unit.
- 2222.5 Upon purchase of the Inclusionary Unit, the Designated Housing Provider shall be the Owner of the Inclusionary Unit and shall be subject to the provisions of this Chapter that apply to Owners.

2223 SALE BY HEIRS AND LENDERS

- 2223.1 If an Inclusionary Unit Owner dies, at least one (1) heir, legatee, or other person taking title to the Inclusionary Unit by will or by operation of law shall occupy the Inclusionary Unit or shall provide the Agency with a Notice of Availability in accordance with § 2206.
- 2223.2 In the event of foreclosure, the Inclusionary Development Covenant and Inclusionary Unit Covenant shall not be released and the mortgage holder shall provide the Agency with a Notice of Availability in accordance with § 2206.

2224 VIOLATIONS AND OPPORTUNITY TO CURE

Prior to exercising the authority to revoke a building permit or certificate of occupancy pursuant to § 104 of the Inclusionary Zoning Act, the Agency shall provide to the person who is alleged to have violated the Inclusionary Zoning Act or this Chapter a written notice setting forth with particularity the alleged violation and shall provide to that person at least thirty (30) days to cure the alleged violation. If the person cures the violation within the thirty (30) day period, the Agency shall not exercise its authority to revoke a building permit or certificate of occupancy pursuant to § 104 of the Inclusionary Zoning Act. The Agency may extend the thirty (30) day period for good cause shown.

2225 EFFECTIVE DATE

These rules shall become effective ninety (90) days after the date of publication in the *D.C. Register* of the Notice of Final Rulemaking.

2299 DEFINITIONS

- 2299.1 When used in this Chapter, the following words and phrases shall have the meanings ascribed below:

Agency – the Agency to which the Mayor has delegated the program authority over subject matter being described in the specific text in which the term appears.

Annual Income – annual income as defined in 24 C.F.R. § 5.609 as of [the date of publication of this Chapter in the *D.C. Register*].

Area Median Income – the area median income for a household in the Washington Metropolitan Statistical Area as set forth in the periodic calculation provided by the United States Department of Housing and Urban Development, adjusted for family size without regard to any adjustments made by the United States Department of Housing and Urban Development for the purposes of the programs it administers. Adjustments of Area Median Income for household size shall be made in the same manner as is prescribed in section 2(1) of the Housing

Production Trust Fund Act, effective March 16, 1989 (D.C. Law 7-202; D.C. Official Code §§ 42-2801(1)).

Bedroom – a room with immediate access to an exterior window and a closet that is designated as a “bedroom” or “sleeping room” on construction plans submitted in an application for a building permit for an Inclusionary Development.

Designated Housing Provider – an entity authorized by the Agency pursuant to § 2222 to purchase Inclusionary Units from Owners of Inclusionary Developments or Units for sale to Households selected by the Agency.

For Sale Inclusionary Development – the portion of an Inclusionary Development that includes or will include Inclusionary Units that will be sold to Households.

For Sale Inclusionary Unit – an Inclusionary Unit that will be or has been sold to a Household.

Household – all persons who will occupy the Inclusionary Unit, all persons over eighteen (18) years of age whose names will appear on the lease or deed whether or not such persons will occupy the Inclusionary Unit, and the lessee’s spouse or domestic partner and children under eighteen (18) years of age, whether or not such persons will occupy the Inclusionary Unit. A Household may be a single family, one (1) person living alone, two (2) or more families living together, or any other group of related or unrelated persons who share living arrangements.

Inclusionary Development – a development subject to the provisions of the Inclusionary Zoning Program.

Inclusionary Development Covenant – the Inclusionary Development Covenant described in § 2204.

Inclusionary Development Owner – a person, firm, partnership, association, joint venture, or corporation, or government with a property interest in land or improvements that is or will be occupied by an Inclusionary Development, but excluding Inclusionary Unit Owners.

Inclusionary Unit – a dwelling unit set aside for sale or rental to Low-Income or Moderate-Income Households as required by the Inclusionary Zoning Program.

Inclusionary Unit Covenant – the Inclusionary Unit Covenant described in § 2205.

Inclusionary Unit Owner – a Household or Designated Housing Provider that owns an Inclusionary Unit.

Inclusionary Zoning Act – the Inclusionary Zoning Implementation Act of 2006, effective March 14, 2007 (D.C. Law 16-275; D.C. Official Code § 6-1041.01 *et seq.*).

Inclusionary Zoning Program – all of the provisions of the Zoning Commission’s Inclusionary Zoning Regulations, the Inclusionary Zoning Act, and this Chapter.

Low-Income Household – a Household with a total Annual Income equal to or less than fifty percent (50%) of the Area Median Income, adjusted for household size.

Market Rate Unit – a unit in an Inclusionary Development that is not an Inclusionary Unit.

Moderate-Income Household – a Household with a total Annual Income greater than fifty percent (50%) and less than or equal to eighty percent (80%) of the Area Median Income adjusted for household size.

Notice of Availability – the notice required to be provided to the Agency by an Owner in accordance with § 2206.

Owner – both an Inclusionary Development Owner and an Inclusionary Unit Owner.

Rent and Price Schedule – the rent and price schedule published in the *D.C. Register* pursuant to § 103(b) of the Inclusionary Zoning Act (D.C. Official Code § 6-1041.03(b)).

Rental Inclusionary Development – the portion of an Inclusionary Development that includes, or will include, Inclusionary Units that will be leased to Households.

Rental Inclusionary Unit – an Inclusionary Unit that will be or has been leased to a Household.

Tenant – a Household that occupies a Rental Inclusionary Unit.

APPENDIX A

DRAFT MAXIMUM RENT AND PURCHASE PRICE SCHEDULE

This Maximum Rent and Purchase Price Schedule is established pursuant to the Inclusionary Zoning Implementation Act of 2006, effective March 14, 2007 (D.C. Law 16-275; D.C. Official Code § 6-1041.01 *et seq.*) (“the Act”) and the Inclusionary Zoning Regulations adopted by the Zoning Commission for the District of Columbia and codified in Chapter 26 Title 11 of the DCMR.

Multi-Family Inclusionary Developments

Number of Bedrooms	Occupancy Limits	Estimated Utility Allowance	Estimated Condo Fees	50% of AMI Units		80% of AMI Units	
				Maximum Allowable Rent	Maximum Purchase Price	Maximum Allowable Rent	Maximum Purchase Price
Studio	1	\$108	250	\$823	\$94,700	\$1,317	\$169,200
1	1 - 2	\$150	300	\$882	\$96,400	\$1,411	\$176,200
2	2 - 4	\$192	425	\$1,058	\$105,100	\$1,693	\$200,800
3	3 - 6	\$233	525	\$1,223	\$119,100	\$1,956	\$226,200

Single-Family Inclusionary Developments

Number of Bedrooms	Occupancy Limits	Estimated Utility Allowance	Estimated Condo Fees	50% of AMI Units		80% of AMI Units	
				Maximum Allowable Rent	Maximum Purchase Price	Maximum Allowable Rent	Maximum Purchase Price
2	2 - 4	NC	110	\$1,058	\$142,300	\$1,693	\$238,000
3	3 - 6	NC	130	\$1,223	\$164,300	\$1,956	\$274,800
4	4 - 6	NC	150	\$1,270	\$168,500	1247.4	\$283,300

The Maximum Purchase Price or Rent is based on the Washington Metropolitan Statistical Area 2008 Area Median Income of \$99,000 for a family of four (4) as published by the United States Department of Housing and Urban Development. It takes into account an ability to pay thirty percent (30%) of the benchmark income towards the housing cost.

The benchmark income by number of bedrooms is based on an occupancy standard of one (1) person for a studio/efficiency and one and half (1½) persons per bedroom thereafter.

Rents are set five percent (5%) below thirty percent (30%) of the benchmark income to ensure a sufficient number of households within the band of incomes that meets both the program eligibility requirements and the Owner credit worthiness qualification requirements.

Maximum Allowable Rent is equal to the rents published minus utility expenses paid by the tenant for heat, air conditioning, cooking, electricity, or hot water. Utilities are estimated above.

Actual costs to be deducted for each utility are as described in the District of Columbia Housing Authority's Utility Schedule.

Maximum Allowable Purchase Prices use the following assumptions:

1. A conventional thirty (30) year, fixed-rate, fully amortizing mortgage at the national average mortgage rate as published by the Federal Housing Finance Board at www.fhfb.gov (5.93% as of March 25, 2008) plus a one percent (1%) cushion to protect for future interest rate increases and a five (5%) down payment.
2. Real estate property taxes assessed at the control price at current real estate tax rates and homestead deductions.
3. Condominium fees are estimated at fifty cents (\$0.50) per square foot per month applied to the assumed unit square footages. Single-family homeowner association fees are estimated at ten cents (\$0.10) per square foot per month applied to the assumed unit square footages. Estimated unit sizes are:

Multi-Family Inclusionary Development			
Studio	1-Bedroom	2-Bedroom	3-Bedroom
500	600	850	1,050

Single-Family Inclusionary Development		
2-Bedroom	3-Bedroom	4-Bedroom
1,100	1,300	1,500

4. Monthly hazard insurance on single-family units is estimated at one half of one percent (0.5%) of replacement value.

NOTE 1. If the actual homeowner/condominium fee for a specific Inclusionary Unit is more than ten percent (10%) higher than the fee assumed in the Maximum Price or Rent Schedule and/or hazard insurance is not included in the condominium fees, then the actual fees and insurance costs shall be used to determine the maximum sales price of the Inclusionary Unit..

NOTE 2. For unit types larger than listed above contact the Agency.

NOTE 3. NC — Not calculated. Contact the Agency.

All persons desiring to comment on the subject matter of this proposed rulemaking should file comments in writing not later than sixty (60) days after the date of publication of this notice in the *D.C. Register*. Comments should be filed with Martine Combal, Project Manager, Office of the Deputy Mayor for Planning and Economic Development, 1350 Pennsylvania Avenue, NW, Washington, DC 20004. Copies of these proposed rules may be obtained from the Office of the Deputy Mayor for Planning and Economic Development at the same address.